

## ***Applicant Information***

*Request Total:* total amount of *Financial Assistance* and *Technical Assistance* requested by this application: \$ \_\_\_\_\_

## ***Applicant Contact Information***

Organization Name:	
Employer Identification Number (EIN) (required):	
Dunn & Bradstreet Number (required):	
Community Partner Name (if applicable):	
Congressional District of <i>Applicant's</i> headquarters:	State: District:
Mailing Address:	
Address continued (e.g. Suite or Room #):	
City:	State:
9 Digit Zip code:	
Website address:	
Street Address if different:	
Address continued (e.g. Suite or Room #):	
City:	State:
9 Digit Zip code:	
Authorized Representative:	
Name:	Title:
Telephone number:	
Fax number:	
E-mail address:	
Contact Person:	
Name:	Title:
Telephone number:	
Fax number:	
E-mail address:	

Corporate Existence: Is the *Applicant* duly organized and validly existing under the laws of the jurisdiction in which it was formed or otherwise established? \_\_\_\_ Yes \_\_\_\_ No (if no, the entity is ineligible for funding.)

Estimate how long this application took to complete: \_\_\_\_\_ Hours

To the best of my knowledge and belief, all information in this application is true and correct. The application has been duly authorized by the governing body of the *Applicant*, and the *Applicant* certifies, attests to, and will comply with all Assurances and Certifications included with this application if any assistance is awarded.

*Authorized Representative Signature:* \_\_\_\_\_

Date: \_\_\_\_\_

*Community Partner Signature* (if applicable): \_\_\_\_\_

Date: \_\_\_\_\_

### ***Applicant's Organization Characteristics***

Type of Entity (check one):

\_\_\_\_ For-Profit      \_\_\_\_ Non-Profit

Non-Profit Tax Exempt Status (if applicable):

\_\_\_\_ 501(c)(3)      \_\_\_\_ 501(c)(4)      \_\_\_\_ Credit Union      \_\_\_\_ Other (specify):

**NOTE: Applicants with a 501(c)(4) designation must complete the "501(c)(4) Questionnaire." Any organization with a 501(c)(4) designation that engages in lobbying activities on or after January 1, 1996, is not eligible to receive an award from the Fund.**

Type of Financial Institution (check one):

\_\_\_\_ Insured Depository Institution; Depository Institution Holding Company (IDI)  
\_\_\_\_ Insured Credit Union (ICU) (includes State-Insured Credit Unions)  
\_\_\_\_ Loan Fund  
\_\_\_\_ Venture Capital Fund  
\_\_\_\_ Loan Purchaser  
\_\_\_\_ Loan Guarantor

*Applicant's* Date of Incorporation (month/day/year) \_\_\_\_\_

Date Applicant began incurring operating expenses \_\_\_\_\_ (mm/yyyy)

Most recent fiscal year end (last completed Fiscal Year): \_\_\_\_\_ (mm/yyyy)

Total Assets as of 12/31/03: \$ \_\_\_\_\_

Fiscal Year for latest available audited financial statements: \_\_\_\_\_ (mm/yyyy)

Number of *Affiliates*: \_\_\_\_\_

Affiliate Name (add lines as needed)	EIN

Is your organization a faith-based organization? (A faith-based organization is one whose founding (through capitalization or otherwise), governance, or membership is derived from a religious institution.)

\_\_\_\_ Yes    \_\_\_\_ No

Did your organization provide financing to any religious institutions or faith-based organizations in the previous fiscal year?    \_\_\_\_ Yes    \_\_\_\_ No

## **Markets Served**

Complete for the Applicant, based on FY 2003 activity

Geographic Markets (check all that apply)

- ☐ Major urban (population more than 1 million)  
☐ Minor urban (population 1 million or less)  
☐ Rural

Primary Geographic Market: (check one)

- ☐ Major urban (population more than 1 million)  
☐ Minor urban (population 1 million or less)  
☐ Rural

Customers Served: (check all that apply)

- ☐ Low- Income  
☐ Very-Low Income  
☐ Minority-Owned Business  
☐ Woman-Owned Business  
☐ Start-Up Business  
☐ Low-Income Owned Business

Targeted Areas: (check all that apply). Refer to [The CDFI Fund Information and Mapping System \(CIMS\)](#) and refer to Application Guidance, Section 2. on designating geographic areas and uploading maps.

- ☐ Appalachia  
☐ Colonias  
☐ Hot Zone(s) (if checked, you must include *Hot Zone* maps from [MyCDFIFund](#) at [www.CDFIhelp.gov](http://www.CDFIhelp.gov))  
☐ Mississippi Delta

## **Demographic Information of Applicant's Target Market**

Complete based on FY 2003 activities

*Ethnicity* Summary (must equal 100%)

☐ % *Hispanic or Latino*      ☐ % *Not Hispanic or Latino*      ☐ % Uncategorized/other

Race Summary (must equal 100%)

☐ % American Indian or Alaska Native      ☐ % Asian  
☐ % Black or African American      ☐ % Native Hawaiian or Other Pacific Islander  
☐ % *White*      ☐ % Uncategorized/other

Gender Summary (must equal 100%)

☐ % Male      ☐ % Female

**States/Jurisdictions Served**

(check all states/jurisdictions where you plan to use the requested *Financial Assistance*).

- |   |  |
|---|--|
| <input type="checkbox"/> Alabama              | <input type="checkbox"/> New Jersey            |
| <input type="checkbox"/> Alaska               | <input type="checkbox"/> New Mexico            |
| <input type="checkbox"/> American Samoa       | <input type="checkbox"/> New York              |
| <input type="checkbox"/> Arizona              | <input type="checkbox"/> North Carolina        |
| <input type="checkbox"/> Arkansas             | <input type="checkbox"/> North Dakota          |
| <input type="checkbox"/> California           | <input type="checkbox"/> Northern Mariana Isl. |
| <input type="checkbox"/> Colorado             | <input type="checkbox"/> Ohio                  |
| <input type="checkbox"/> Connecticut          | <input type="checkbox"/> Oklahoma              |
| <input type="checkbox"/> Delaware             | <input type="checkbox"/> Oregon                |
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Pennsylvania          |
| <input type="checkbox"/> Florida              | <input type="checkbox"/> Puerto Rico           |
| <input type="checkbox"/> Georgia              | <input type="checkbox"/> Rhode Island          |
| <input type="checkbox"/> Guam                 | <input type="checkbox"/> South Carolina        |
| <input type="checkbox"/> Hawaii               | <input type="checkbox"/> South Dakota          |
| <input type="checkbox"/> Idaho                | <input type="checkbox"/> Tennessee             |
| <input type="checkbox"/> Illinois             | <input type="checkbox"/> Texas                 |
| <input type="checkbox"/> Indiana              | <input type="checkbox"/> Utah                  |
| <input type="checkbox"/> Iowa                 | <input type="checkbox"/> Vermont               |
| <input type="checkbox"/> Kansas               | <input type="checkbox"/> Virgin Islands        |
| <input type="checkbox"/> Kentucky             | <input type="checkbox"/> Virginia              |
| <input type="checkbox"/> Louisiana            | <input type="checkbox"/> Washington            |
| <input type="checkbox"/> Maine                | <input type="checkbox"/> West Virginia         |
| <input type="checkbox"/> Maryland             | <input type="checkbox"/> Wisconsin             |
| <input type="checkbox"/> Massachusetts        | <input type="checkbox"/> Wyoming               |
| <input type="checkbox"/> Michigan             |  |
| <input type="checkbox"/> Minnesota            |  |
| <input type="checkbox"/> Mississippi          |  |
| <input type="checkbox"/> Missouri             |  |
| <input type="checkbox"/> Montana              |  |
| <input type="checkbox"/> Nebraska             |  |
| <input type="checkbox"/> Nevada               |  |
| <input type="checkbox"/> New Hampshire        |  |

### **CDFI Certification Status**

To apply to the *Financial Assistance* Component, the *Applicant* must (i) be a certified *CDFI* with a certification expiration date on or after December 31, 2004, or (ii) have submitted a complete application for *CDFI Certification* to the Fund demonstrating that it can be certified, not later than March 31, 2004.

**NOTE: A number of CDFIs with certifications expiring in 2003 and 2004 have received notification from the Fund of extension of their certification. The Fund will consider the extended certification date (the later date) to determine whether those CDFIs meet eligibility requirement (i) described above.**

CDFI Certification status:

☐ Certified ☐ Certification Application Pending

If certified prior to January 1, 2004, have there been any subsequent changes to the organization that would affect its *CDFI* certification?

☐ No material changes have occurred in my organization since the date of its *CDFI* certification, which affect its status as a certified *CDFI*.

☐ Attached is a narrative that describes all of the material changes that have occurred in my organization since the date of *CDFI* certification, which may affect its status as a certified *CDFI*.

**TIP: Material changes may include, but are not limited to, changes in ownership, governing board composition, market served, and financing activities provided. If material changes have occurred, the narrative must demonstrate whether they affect the Applicant's status as a certified CDFI.**

### **Prior Awards**

Has the Applicant or any Affiliate ever received Financial or Technical Assistance from the CDFI Fund and subsequently executed an Assistance Agreement? Yes ☐ No ☐

If yes, is the Assistance Agreement still in effect? Yes ☐ No ☐

If yes, make sure that the Applicant (or Affiliate) is current on all its reporting requirements. To check your reporting status, contact the Fund's Grants Management and Compliance Monitoring Manager at (202) 622-8226, via email at [gmc@cdfi.treas.gov](mailto:gmc@cdfi.treas.gov), via fax at (202) 622-6453, or by mail at CDFI Fund, 601 13<sup>th</sup> St. NW, Suite 200 South, Washington, DC 20005.

## Total Request for Assistance & Proposed Uses

### Award Request and Uses

This section collects information on the form and amount of the Award the Applicant is requesting and the proposed uses of the Award.

### Award Type Selection

In selecting the types of *Financial Assistance* to request, remember *Matching Funds In-Hand* and *Matching Funds Firmly Committed* must equal the amount and source type of the Request(s). Review the guidance for details.

Financial Assistance	
Grant	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan	<input type="checkbox"/> Yes <input type="checkbox"/> No
Equity	<input type="checkbox"/> Yes <input type="checkbox"/> No
Deposit or Shares	<input type="checkbox"/> Yes <input type="checkbox"/> No
Secondary Capital	<input type="checkbox"/> Yes <input type="checkbox"/> No

  

Technical Assistance	
Technology	<input type="checkbox"/> Yes <input type="checkbox"/> No
Training	<input type="checkbox"/> Yes <input type="checkbox"/> No
Consulting	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other TA	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Grant Request:** How much is your request for Financial Assistance Grant? \$ \_\_\_\_\_

**Equity Request:** How much is your request for Financial Assistance Equity? \$ \_\_\_\_\_

### Loan Request:

Amount Requested for Loan	<input type="text"/>
Term	<input type="text"/>
Rate	<input type="text"/>
Principal Payment Schedule (select one)	At Maturity   Annually   Quarterly   Monthly

### Deposit / Credit Union Shares Request:

Deposit / Credit Union Shares	<input type="text"/>
Term	<input type="text"/>
Rate	<input type="text"/>
Payment Schedule (select one)	At Maturity   Annually   Quarterly   Monthly

### ***Uses for FA Request***

How will you use the Financial Assistance Grant? Enter the dollar amount of your FA request that you plan to use for each. The amounts must aggregate to the request amount.

	Grant	Loan	Equity	Deposits/Shares
Request Amount				
Loan or Equity Capital				
Loan Loss Reserve				
Capital Reserves				
Development Services				
Financial Services				
Other				
TOTAL:				

## **TA Grant Request and Uses**

This section collects information on the amounts the Applicant is requesting under Technical Assistance (TA). TA are funds the Applicant will use to acquire consulting services, technology, training, and staff salary for non-recurring expenses to enhance the Applicant's capacity. For each of the following, provide a narrative.

***Technology Request:*** How much is your request for Technology? \_\_\_\_\_

Provide a narrative that describes the proposed uses, including likely providers; explain the basis for the proposed costs; and briefly explain how the proposed activities will enhance the Applicant's ability to better serve its Target Market, expand services to a new Target Market, or determine and track appropriate impact indicators for its activities.

***Training Request:*** How much is your request for Training? \_\_\_\_\_

Provide a narrative that describes the proposed uses, including likely providers; explain the basis for the proposed costs; and briefly explain how the proposed activities will enhance the Applicant's ability to better serve its Target Market, expand services to a new Target Market, or determine and track appropriate impact indicators for its activities.

***Consulting Request:*** How much is your request for Consulting? \_\_\_\_\_

Provide a narrative that describes the proposed uses, including likely providers; explain the basis for the proposed costs; and briefly explain how the proposed activities will enhance the Applicant's ability to better serve its Target Market, expand services to a new Target Market, or determine and track appropriate impact indicators for its activities.

***Other TA Request:*** How much is your request for Other Technical Assistance? \_\_\_\_\_

Provide a narrative that describes the proposed uses, including likely providers; explain the basis for the proposed costs; and briefly explain how the proposed activities will enhance the Applicant's ability to better serve its Target Market, expand services to a new Target Market, or determine and track appropriate impact indicators for its activities.



## Matching Funds

In this section, the Fund seeks to assess the eligibility of the proposed Matching Funds. In accordance with the applicable NOFA for the FA Component and Fund policy, the Fund will not consider for FA funding any Applicant that does not demonstrate any Matching Funds In-Hand or Firmly Committed as of the application deadline. Matching Funds are not required for Technical Assistance grants.

You will need the following information:

1. Name of Matching Fund source(s)
2. The form of the Matching Fund (grant, retained earnings, loan, equity, deposit/share or secondary capital).
3. Date of Receipt (for Matching Funds In-Hand)
4. Expected date of receipt (for Matching Funds Firmly Committed)
5. Type of Organization that provided the Matching Funds (e.g., Bank, Foundation, State/Local Government, etc)

**TIP: The applicant must provide sufficient documentation in the application for the Fund to determine that the Matching Funds are eligible and consistent with the FA request.**

A. **Complete** the [Matching Funds Chart](#) (see [Charts document](#)). Add rows as needed. All applicable sections of the Matching Funds Chart must be completed. To help you complete the Chart, use [Instructions-Matching Funds](#). For information on eligibility of Matching Funds, refer to the [Matching Funds Guidance](#).

B. **Attach** the following documents.

**TIP: Both Matching Funds charts and documentation must be provided in order for the application to be considered for a Financial Assistance award.**

- **[Matching Funds In-Hand](#):** For each source of *Matching Funds In-Hand*, provide copies of executed documentation evidencing (i) the form of Matching Funds and (ii) that the *Matching Funds* were disbursed. Acceptable documentation for proof of form of *Matching Funds* includes: 1) a promissory note; 2) loan agreement; 3) grant letter; 4) partnership agreement; or 5) other document that clearly states the form of the *Matching Funds*. Acceptable evidence of disbursement documentation includes: 1) a check; 2) wire transfer; or 3) other disbursement document.
- **[Matching Funds Firmly Committed](#):** For each source of *Matching Funds Firmly Committed*, provide written documentation evidencing that the Applicant has entered into or received a legally binding commitment from the *Matching Funds* source that the *Matching Funds* have been committed and to be disbursed to the Applicant (such as a loan agreement, promissory note, or grant agreement). *Matching Funds Firmly Committed* documents must be in writing, signed by the funder, dated, indicate that the *Matching Funds* is for the *Applicant*, correspond in form to the *FA* requested (i.e., grant for grant, loan for loan), and provide a date by which the *Matching Funds* will be disbursed to the *Applicant*. All commitments must indicate that matching funds are to be disbursed by April 30, 2005. Commitments may be made contingent on receipt of funding from the CDFI Fund.

### C. Matching Funds Questions

1. For any Category I/SECA applicant that demonstrates having less than 100 percent of *Matching Funds In-Hand* or *Firmly Committed* as of the application deadline, the Fund will evaluate the applicant's ability to raise the remaining matching funds by April 30, 2005. Provide a narrative on the following: What is your strategy to obtain the remaining amount of required matching funds by April 30, 2005? Identify by name and amount any funders that have made verbal commitments or provided

letters of interest; indicate levels of interest express by current or past funders; and indicate any other new funding sources the applicant plans to pursue.

**TIP: The Fund will base the award amount on the amount of the *Matching Funds* likely to be in hand by April 30, 2005. The Fund may request additional documentation or contact potential funders as part of its application review.**

**2. *Insured Credit Unions* using Retained Earnings as *Matching Funds*.**

a. Choose the option that best captures the Retained Earnings the Applicant wants to use as a source of Matching Funds.

- Option 1: the increase in Net Capital that has occurred over the applicant's most recent fiscal year. Net Capital shall be comprised of "Regular Reserves", "Other Reserves" (excluding reserves specifically dedicated for losses), and "Undivided Earnings" as such terms are used in the National Credit Union Administration's accounting manual; or
- Option 2: the annual average of such increases that have occurred over the applicant's three most recent fiscal years; or
- Option 3: the entire Net Capital that has been accumulated since the inception of the applicant. If the applicant chooses this option, it must increase its Total Member and/or Non-Member Shares by an amount equal to the designated amount of Retained Earnings by April 30, 2005. For example, if an applicant seeks to match a \$100,000 grant with \$100,000 in retained earnings under this option, it must raise Total Member/Non-Member Shares by \$100,000. The baseline level of member/nonmember shares will be calculated as of June 30 of the calendar year in which the Applicant is selected to receive an award (6/30/04).

b. Attach a narrative describing your strategy for raising Total Loans or Total Member and Non-Member shares by April 30, 2005.

**3. All applicants using Retained Earnings as Matching Funds. Complete** the Matching Funds Summary Chart Retained Earnings for your institution type (see Charts document). All applicable sections of the Matching Funds Chart must be completed. To help you complete the Chart, use [Instructions-Matching Funds](#). For information on eligibility of Matching Funds, refer to the [Matching Funds Guidance](#).

## **Product Selection & FA Uses**

### **Products Offered**

Complete the Products Offered chart (see Chart document). Check all the products offered by the Applicant and indicate the markets in which they have been or are proposed to be provided.

### **Products Offered – All Markets**

Complete the Products Offered – All Markets chart.

**All markets includes transactions in eligible Target Markets as well as outside of eligible Target Markets (i.e., not related to an *Hot Zone*, *Other Targeted Population*, *Investment Area* or *Low Income Targeted Population*). Be sure to review the NOFA and Guidance before making your selection of Target Market. For each product selected in the chart above, enter the total number and dollar amount of loans or equity investments made by the applicant in all of its markets for the last three completed fiscal years.**

### **Product Features**

**For each product, complete the Product Features chart. Select which of the market areas best applies; and whether or not you are requesting FA for it (the "Request FA?" column). Be sure to review the NOFA and Guidance before making your selection of market area.**

## ***Financial Assistance by Product***

Complete the Financial Assistance by Product chart. List all the products and markets for which you will request Financial Assistance.

## ***Products with FA Request***

### ***Activities Level Chart:***

Complete the [Activity Level Chart](#). Based on the applicant's financial products and services in the last three fiscal years to the proposed Target Market, provide data on the applicable Product Types the applicant has provided and/or intends to provide during the Performance Period to the designated Target Market(s). Replicate the chart for each product for which you are requesting funding. Note: *Insured Credit Unions and Insured Depository Institutions are **not required** to report on credit card loans.*

For instructions on completing the Activity Level Chart, refer to the [Market Need & Community Development Guidance](#).

### ***FA Request by Product and Use***

Complete the FA Request by Product and Use chart. For each product for which you are requesting FA.

## Capital Need

### Capital Need - Loan Capital

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected sufficient capital to finance its projected loan volume during the performance period.

A. **Complete** the Capital Need - Loan Capital Chart. Applicants requesting funding for Loan Capital are required to complete the Capital Need – Loan Capital Chart before answering questions in this section.

B. **Answer the following questions in attached narratives, if applicable.**

1. If applicable, provide a brief narrative explaining the sources of information for **Total Capital Available for Financing** entered on the Capital Need Chart for Loan Capital for each FA requested loan product(s). For example if you entered \$100 for Total Capital Available for Financing for small business loans, provide an explanation of how you arrived at that value. For example, this represents the restricted dollars available for lending for small business loans at the beginning of the FY.

**TIP:** The narrative should help the reader connect the data entered in the chart with the applicant's own financial statements, such as indicating restricted dollars or specified loan pools for each FA requested loan product.

2. If applicable: Provide an explanation for entering \$0 for Total Capital Available for Financing and/or New Capital Available for Lending for FYE 2003 and/or 2004. For example, an applicant would enter \$0 for Total Capital Available for Financing and New Capital Available for Lending for FY 2003 if it is introducing a new loan product and has not begun lending.

3. If your organization fails to demonstrate Capital Need for any loan product, provide a narrative explaining why your organization believes FA is needed to provide the proposed loan product(s) and services. Your narrative response should include specific financial information that was not considered on the Capital Need Chart(s) for Loan Capital and why this information is crucial to your demonstrating financial need.

### Capital Need - Loan Loss Reserves

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected sufficient capital to finance its projected loan volume during the performance period.

A. **Complete** the Capital Need-Loan Loss Reserves Chart before answering questions in this section.

B. **Answer the following questions in attached narratives.**

1. Do your Board-Approved Loan Monitoring Policies and Procedures or financial covenants indicate or mandate a specific percentage or dollar amount of cash loan reserves for each FA requested loan product(s), if so, for which loan product(s)?

2. Explain the sources of information for **Cash Loan Loss Reserves Available for this Product** and **Cash Loan Loss Reserves Needed for this Product** entered on the Capital Need Chart for Cash Loan Loss Reserves for each of your FA requested loan product(s). For example if you entered \$100 for Cash Loan Loss Reserves Available for this Product and \$200 for Cash Loan Loss Reserves Needed for this Product, provide the source of Cash Loan Loss Reserves Available for this Product (e.g., unrestricted cash) and how the Cash Loan Loss Reserves Needed for this Product is determined (e.g., based on board approved policies and procedures dated 10/02 and represents 10% of total loans outstanding).

**TIP:** The narrative should help the reviewer connect the data entered in the chart with the applicant's own financial statements, such as indicating restricted dollars or specified loan pools for each FA requested loan product.

3. If your organization fails to demonstrate Capital Need for Cash Loan Loss Reserves for any loan product, provide a narrative explaining why your organization believes FA is needed to provide cash loan loss reserves for the proposed loan product(s) and services. Your narrative response should include specific **financial information** that was not considered on the chart(s) and why this information is crucial to your demonstrating financial need.

### Capital Need -Equity Investment Capital

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected sufficient capital to finance its projected equity investments during the performance period.

**A. Complete** the Capital Need Chart for Equity Investment Capital. This chart is required if you are requesting FA to make Equity Investments (indicated Business Equity in the Product List AND indicated Use of FA "Loan a/o Equity Investment Capital).

**B. Answer the following questions in attached narratives.**

1. If applicable, provide a brief narrative explaining the sources of information for **Total Capital Available for Financing** entered on the Capital Need Chart for Equity Investment Capital for each FA requested equity investment product(s). For example if you entered \$100 for Total Capital Available for Financing for Equity Fund I provide an explanation of how you arrived at that value, such as this represents the restricted dollars available for making Equity Fund I investments at the beginning of the FY.

**TIP:** The narrative should help the reader connect the data entered on the chart with the applicant's own financial statements, such as indicating restricted dollars for each FA requested equity investment product.

2. Provide an explanation for entering \$0 for **Total Capital Available for Financing and/or New Capital Available for Equity Investment** for FYE 2003 and/or 2004. For example, an applicant would enter \$0 for Total Capital Available for Financing and New Capital Available for Equity Investment for FY 2003 if it is introducing a new equity investment product and has not begun making equity investments.

3. If your organization fails to demonstrate Capital Need for any equity investment product, provide a narrative explaining why your organization believes FA is needed to provide the proposed equity investment product(s) and services. Your narrative response should include specific **financial information** that was not considered on the Capital Need Chart(s) for Equity Investment Capital and why this information is crucial to your demonstrating financial need.

### Capital Need -Development Services

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected sufficient capital to finance its development services during the performance period. The Fund will not select for an award any applicant that does not demonstrate need for FA from the Fund.

**A. Complete** the Capital Need - Development Services Chart. Applicants requesting funding for Development Services are required to complete the Capital Need - Development Services Chart before answering questions in this section.

**B. Answer the following questions in attached narratives.**

1. Provide a brief narrative explaining the sources of information for Applicant's Resources for Development Services and Projected Costs entered on the Capital Need - Development Services Chart.

Explain if Applicant Resources for Development Services is \$0 or will decrease considerably (i.e., 40%) from the prior FY, what Projected Costs consist of (e.g., rent, overhead, materials etc.) or if it will increase considerably (i.e., 40%) from the prior fiscal year.

**TIP: The narrative should help the reviewer connect the data entered in the chart with the applicant's own financial statements and Activities Levels Chart.**

2. If your organization fails to demonstrate Capital Need for Development Services, provide a narrative explaining why your organization believes FA is needed to provide Development Services for the proposed loan product(s) and services. Your narrative response should include specific financial information that was not considered on the chart(s) and why this information is crucial to your demonstrating capital need.

### Capital Need-Financial Services

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected sufficient capital to finance its financial services during the performance period.

**A. Complete** the Capital Need - Financial Services Chart before answering questions in this section.

**B. Answer the following questions in attached narratives.**

1. What items or activities are included in your organization's Projected Costs as shown on the Capital Need – Financial Services Chart (e.g., transaction costs, fixed costs etc.)? If you are projecting an increase of 30% or greater in Projected Costs in FYE 2004-2007 compared to FYE 2003 provide an explanation.

**TIP: The narrative should help the reader connect the data entered on the chart with the applicant's own financial statements and Activities Level Chart.**

2. Provide an explanation for entering \$0 for Total Resources Available for Financial Services for FYE2003 and/or FYE2004. Enter "N/A" if the question is not applicable.

3. If your organization fails to demonstrate Capital Need for Financial Services, provide a narrative explaining why your organization believes FA is needed to provide a Financial Service product(s) and services. Your narrative response should include specific **financial information** that was not considered on the Capital Need Chart(s) for Financial Services and why this information is crucial to your demonstrating financial need.

### Capital Need -Capital Reserves - ICU

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected a minimum Net Worth Ratio during the performance period.

**A. Complete** the Capital Need - Capital Reserves-ICU Chart. Credit Unions requesting Capital Reserves are required to complete the Capital Need - Capital Reserves-ICU Chart before answering questions in this section.

**B. Answer the following question in an attached narrative:**

- If your organization fails to demonstrate Capital Need for Capital Reserve, provide a narrative explaining why your organization believes FA is needed to increase your organization's Net Worth. Your narrative response should include specific **financial information** that was not considered on the Capital Need - Capital Reserves-ICU and why this information is crucial to your demonstrating financial need.

## Capital Need -Capital Reserves-IDIs and DIHCs

**Purpose:** In the Capital Need section, the Fund seeks to determine whether the applicant has projected a minimum Tier 1 Capital ratio during the performance period.

- A. Complete Capital Need -Capital Reserves IDI.** Insured Depository Institutions or Depository Institutions Holding Companies requesting Capital Reserves are required to complete the Capital Need-Capital Reserves IDI Chart before answering questions in this section.
- B. Answer the Following Question in an attached narrative, if applicable.**
- If your organization fails to demonstrate Capital Need for Capital, provide a narrative explaining why your organization believes FA is needed to increase your organization's Tier 1 Capital. Your narrative response should include specific **financial information** that was not considered Capital Need -Capital Reserves IDI and why this information is crucial to your demonstrating financial need.

## Capital Need for Other Capital

**Purpose:** In the FA Need section, the Fund seeks to determine whether the applicant has projected sufficient capital to finance its "Other" activities during the performance period.

In an attached narrative, indicate the use(s) of Other Capital (e.g., staff salary, marketing materials etc.). Explain how such costs were obtained, why your organization believes FA award is needed to for this purpose and how such use relates to the provision of the product. Your narrative response must include specific **financial information** (break out how the FA will be used) and why this information is crucial to your demonstrating capital need.

**TIP:** The financial information in the narrative should help the reader determine if the applicant demonstrates need for the FA requested product(s) or services. For example, applicant is a start-up organization with limited operating capital but delivers product to a very distressed rural area and requires operating capital to hire a loan officer to manage loan/equity portfolio. Comprehensive Business Plan

## Market Need and Community Development Performance

**Purpose:** The Market Need and Community Development Performance section seeks information on the Applicant's understanding of its market context and its current and prospective customers; the extent of economic distress within the designated *Investment Area(s)* (including *Hot Zones*) or the extent of need within the designated *Targeted Population(s)*; the extent of need for *Equity Investments*, loans, *Development Services*, and *Financial Services* within the designated *Target Market*; and the extent of demand within the *Target Market* for the applicant's products and services; the extent to which the applicant demonstrates that it will target its activities to the Fund's Programmatic Priorities; the Applicant's track record and the likelihood of its projections for community development impact; its product design and strategy; the extent to which the applicant will provide products that meet key community development needs; the likely effectiveness of the proposed use of Fund dollars; and the degree to which the applicant's strategy is integral to Federal community development initiatives.

### 1. Market Need.

**A. Designating a Target Market and/or service area.** Applicants that intend to serve a CDFI Fund designated [Hot Zone](#) (HZ), an [Other Targeted Population](#) (OTP) and/or an [Investment Area](#) (IA) with the FA requested, must designate the applicable Target Market. If an applicant intends instead to serve a [Low-Income Targeted Population](#) (LITP) with the FA requested, the applicant may skip to B. Market Analysis below.



**Note:** You do not need to be certified on the basis of serving an *Investment Area* in order to designate a *Hot Zone(s)* in this funding application.

**Hot Zones:** The Fund has designated certain *Investment Areas* with greater levels of economic distress: Housing Hot Zones, Economic Development Hot Zones, and Hot Zones that meet both the Housing and Economic Development Hot Zone criteria (*Combination Hot Zones*).

- In order to serve a Hot Zone with the FA funds requested, the applicant must designate a *Target Market* consisting of Hot Zone-qualified geographic units (e.g. census tracts, counties, etc). The applicant must save *Hot Zone*- qualified geographic units to MyCDFIFund. The geographic units include those that it has served in the last three fiscal years and/or plans to serve with the products for which FA funds are requested in this application. ***The applicant will not be considered as serving a Hot Zone, unless such a map is saved.*** Additional information on saving Hot Zone maps is provided in the FA2004 Application General Guidance, Section 2 and the Market Need and Community Development Performance Guidance.

**Other Targeted Population:**

- If the applicant is serving and/or intends to serve individuals that are African American, Hispanic/Latino, Native American, Alaska Native residing in Alaska, or Native Hawaiian or Other Pacific Islanders residing in Hawaii or other Pacific Islands, the applicant must designate an Other Targeted Population consisting of one or more of the identified groups above in Question 1 below and in the [Activity Level Chart](#) (ALC).
- If the applicant is serving or intends to serve an *Other Targeted Population*, **not identified above**, it must designate an *OTP-Other* in Question 1 below *and* in the [Activity Level Chart](#). The applicant will need to demonstrate that each group *designated* lacks adequate access to loans, *Equity Investments* or *Financial Services* due to factors that are unrelated to their investment- or credit-worthiness such as gender, race, ethnicity, national origin or creed. The Chart 3: Activity Level Chart will prompt the applicant to provide a brief analytical narrative (suggested length 1 paragraph) for each population describing the unmet need for loans, *Equity Investments* or *Financial Services* in the service area from which the OTP is drawn.

**Note on double counting:** In order to avoid double counting any client/customer, the applicant may classify all loans/investments only once, even if the client/customer falls into more than one *Target Market*. For example, if the applicant serves individuals that are both Low-Income and members of an *Other Targeted Population*, you must designate them under only one category in the ALC. Similarly, if an applicant is Low-Income and resides in a *Hot Zone*, again, you must designate them under only one category in the ALC.

**All Applicants: Check the Target Market(s) you intend to serve with FA**

AH HZ	ED HZ	OTP: African American	OTP: Hispanic/ Latino	OTP: Native American	OTP: Alaska Native in Alaska	OTP: Native Hawaiian/Other Pacific Islander in Hawaii/Pacific Islands	OTP: Other
LITP (members not residing in a Hot Zone <u>and</u> not members of any OTP)				Investment Area (residents/entities not residing/located in a Hot Zone <u>and</u> not members of any OTP)			

Note: if you intend to serve and have saved maps for geographic units identified as both AH & ED Hot Zones (i.e., *Combination Hot Zones*), check both AH & ED in Q. 1.



**Tip:** A successful applicant clearly identifies the Product Type it has targeted or proposes to target to Hot Zone or Investment Area in the name of the saved maps. For example, a CDFI proposing to provide an Affordable Housing product(s) names the Hot Zone map: "CDFI name, Affordable Housing."

**2. Market Analysis.** Provide responses to the questions below in attached narratives. Responses to the following questions will demonstrate the applicant's understanding of market context; the extent of economic distress within the designated Investment Area(s) (including Hot Zones) or the extent of need within the designated Targeted Population(s), including its current and likely customers, need and demand for its current and proposed financial products and services.

Be sure to answer each question addressing all product types for which you are requesting funding. If you serve **more than one Target Market**, be sure to describe the similarities and difference in the Target Markets served in your response to the following questions.

**Tip:** An applicant that is planning to serve a new market (whether it is a new geographic area or a new population) should demonstrate that the market lacks adequate access to loans, Equity Investments or Financial Services and that the applicant is uniquely positioned to provide such products and services. An applicant that is planning to provide a new product or service should demonstrate that there is need and demand for the product or service in the market served.

- a. Is the applicant planning to use the FA award to expand its Target Market? Target Market expansion includes serving a Target Market not served by the applicant in the last three fiscal years and/or a Target Market served for less than one complete fiscal year as of the time of application.  
Yes\_\_\_\_\_ No\_\_\_\_\_
- b. Is the applicant planning provide new products or services with the FA request? Yes\_\_\_\_\_ No\_\_\_\_\_
- c. Is the applicant planning to provide an existing financial product(s) to its existing Target Market(s)?  
Yes\_\_\_\_\_ No\_\_\_\_\_
- d. Describe the applicant's market and discuss the extent of economic distress in the applicant's service area. If the applicant responded yes to Question 1 above, be sure to explain why it is undertaking this expansion and describe the market niche for the applicant's products and services.
- e. Are you requesting FA for *Affordable Housing* products? Yes\_\_\_\_\_ No\_\_\_\_\_

If yes, your narrative response should address all of the following:

- 1) Articulate the need for your *Affordable Housing* products in your Target Market(s);
- 2) Discuss the extent of demand for the applicant's products and services within the Market, with an emphasis on the *Target Market*; and
- 3) If the applicant is planning on serving a new market discuss how the institution's track record will be applicable to the expanded Target Market or service area. If the applicant is planning on providing a new product or service, discuss how the institution's track record will be applicable to the new product or service.

**Tip:** An applicant should provide the Fund with sufficient information about the market to assess the likely success of the applicant's strategy. Such information should include, for example the average cost of housing, homeownership rate, median income, other sources of financing in the market, and any gaps in the affordability and/or availability of financing to the Target Market.

- f. Are you requesting FA for *Economic Development* products? Yes\_\_\_\_\_ No\_\_\_\_\_.

If yes, your narrative response should address all of the following:

- 1) Articulate the need for your *Economic Development* products in your service area(s);
- 2) Discuss the extent of demand for the applicant's products and services within the market, with an emphasis on the *Target Market*; and

- 3) If the applicant is planning on serving a new market discuss how the institution's track record will be applicable to the expanded Target Market or service area. If the applicant is planning on providing a new product or service, discuss how the institution's track record will be applicable to the new product or service.

**Tip:** An applicant should provide the Fund with sufficient information about the market to assess the likely success of the applicant's strategy. Such information should include, for example, description of the business mix in the market, the ownership of local businesses, barriers to business growth, sources of financing in the market, and any specific gaps in financing available.

- g. Are you requesting FA for *Community Development Financial Services*? Yes\_\_\_\_ No\_\_\_\_.  
If yes, your narrative response is to address all of the following:
- 1) Articulate the need for your Community Development Financial Services (or Other Eligible Activities) in your service area(s);
  - 2) Discuss the extent of demand for the applicant's products and services within the market, with an emphasis on the *Target Market*; and
  - 3) If the applicant is planning on serving a new market discuss how the institution's track record will be applicable to the expanded Target Market or service area. If the applicant is planning on providing a new product or service, discuss how the institution's track record will be applicable to the new product or service.

**Tip:** An applicant should provide the Fund with sufficient information about the market to assess the likely success of the applicant's strategy. Such information should include, for example, description of the consumer loan and Financial Service needs of the market (such as car loans, remittances, low-balance accounts), other providers (including regulated financial institutions and other entities), and any specific gaps in the affordability and/or availability of such products to the Target Market.

- h. Are you requesting FA for Other Activities? Yes\_\_\_\_ No\_\_\_\_  
If yes, your narrative response is to address all of the following:
- 1) Articulate the need for your Community Development Financial Services (or Other Eligible Activities) in your service area(s);
  - 2) Discuss the extent of demand for the applicant's products and services within the market, with an emphasis on the *Target Market*; and
  - 3) If the applicant is planning on serving a new market discuss how the institution's track record will be applicable to the expanded Target Market or service area. If the applicant is planning on providing a new product or service, discuss how the institution's track record will be applicable to the new product or service.
- i. Are there other entities providing similar financial products to your Target Market (s)?  
Yes\_\_\_\_ No\_\_\_\_ If yes, name the other providers.
- j. Are there any factors relevant to the Target Market or Service Area, not listed above, that the Fund should consider in assessing the market need for the applicant's products?

## 2. Programmatic Priorities and Community Development Performance/Impact

This section collects information on the Applicant's historic and projected community development impact resulting from its Financial Products and/or Financial Services. For each Financial Product or Financial Service this section allows the Applicant to designate an impact other than the prescribed community development impact. All Applicants must have at least one impact for each product it selected. You will need information on the indicators used by the Applicant to track the community development impact of its financial products or services.

Complete the [Community Development Impact Chart](#). Add rows for each product for which you are requesting funding.

The selections here will be the basis of the reporting required in the Assistance Agreement, should the Applicant be selected to receive Financial Assistance.

The type of impact described in the "Required Impact" column is required. If the Applicant has another impact that it tracks, it can enter this in the "Optional Impact" column.

Based on the Applicant's selection in the Community Development Impact Chart, respond to the following questions in attached narratives.

- If you selected "other" impact indicator, provide the name of the impact indicator and explain why the Applicant has historically tracked or is projecting to track this indicator.
- For each indicator selected, provide the name of the indicator and the methodology used for calculating and tracking the impact numbers listed under Historic and Projected columns.

**Tip:** Applicants that have previously received Financial Assistance from the Fund will not be scored highly in this section unless they show activity and impact levels that reflect higher levels of activity, activity to additional markets, or new products than those previously funded and agreed to in prior Assistance Agreements.

## 3. Product Design and Strategy

NOTE: Category III Applicants Will Be Evaluated In This Sub-Section On Their Plans To Leverage Greater Private Sector Resources Directly Or Indirectly In Support Of Their Lending And Investing Activities, Or Develop And Effectively Provide Innovative Financial Products And Services That Address The Capital Needs Of Markets That Ape Particularly Underserved By Traditional Financial Services Institutions.

### A. Product Description and Use of Funds

**1. Affordable Housing-Financial Products:** Respond to the following questions regarding the applicant's Financial Products related to **Affordable Housing**. Indicate "N/A" for any question that does not apply.

Affordable Housing Financial Products	Amount (\$min-\$max range)	Terms (min-max range)	Rates (min-max range)	Is this a New Product?
		_____ mo. _____ years	0.00%	Yes ____ No ____

a) How does the design of this product address need and demand of the Target Market? Your response must address all of the following:

- Description of how this product uses flexible underwriting (if applicable);
- Description of how this product uses non-traditional forms of collateral (if applicable);
- Description of how this product makes available extended or flexible terms (if applicable);
- Description of how the this product provides or incorporates low down-payment (if applicable);

- Description of how this product differs from the products of other providers serving the Target Market; and
  - Applicant's strategy for developing and testing this product (for new products only);
- b) **Source(s) of Capital:** For each product for which the Applicant is requesting FA, provide a list of the Applicant's main sources of capital for this product and the amount from each source. Indicate whether the source is a loan or grant. For example: XYZ foundation, grant, \$50,000. ABC Bank, loan, \$150,000 (60 months at 4%). Retained Earnings, \$100,000.
- c) **Use of FA:** For each product for which the Applicant is requesting FA, explain the need for FA and the benefits that will be provided to the Target Market due to the provision of FA.

**2. Affordable Housing- Development Services.** Complete the Development Services Chart. For additional information on the types of activities the Fund considers Development Services, refer to the [Guidance-Development Services](#).

**TIP:** A successful applicant responds to all question components for all applicable Development Services activities.

a). In the last three fiscal years, did the Applicant provide its Target Market with Affordable Housing Development Services, directly, through an *Affiliate*, or through a contractual relationship? Yes\_\_\_ No\_\_\_. If yes, respond to all of the following that apply. *If any of the following do not apply, indicate "N/A" in the space provided. If the applicant does not respond to any question, the Fund will assume that question is not applicable (N/A).*

**Narrative on Development Services.** Address all of the following:

- Name of entity(s) that provides the Development Services, including the applicant, an *Affiliate*, or third-party
- Describe the Development Services and how these services enable clients to access your financial products.
- Describe how these services enable clients to avoid or address delinquencies or defaults.
- Describe how these services help borrowers establish or repair blemished credit histories, avoid predatory loan products, and/or address emergency financial needs.

b) For any Target Market, is the applicant requesting FA to be used for **Affordable Housing Development Services**? Yes\_\_\_ No\_\_\_. If yes, explain your methodology for determining the amount of FA requested for Development Services.

**3.) Economic Development-Financial Products.** Respond to the following questions regarding the applicant's Economic Development Financial Products. Indicate "N/A" for any question that does not apply.

Economic Development Financial Products	Amount (\$min-\$max range)	Terms (min-max range)	Rates (min-max range)	Is this a New Product?
				Yes___ No__

- a) How does the design of this product address need and demand of the Target Market? Your response must address all of the following:
- Description of how this product uses flexible underwriting (if applicable);
  - Description of how this product uses nontraditional forms of collateral (if applicable);
  - Description of how this product makes available extended/flexible terms (if applicable);
  - Description of how this product differs from those of other providers serving the Target Market; and
  - Applicant's strategy for developing and testing this product (for new products only);

- b) Source(s) of Capital: Provide a list of the Applicant's main sources of capital for this product and the amount from each source. Indicate whether the source is a loan or grant. *For example: XYZ foundation, grant, \$50,000. ABC Bank, loan, \$150,000 (60 months at 4%). Retained Earnings, \$100,000.*
- c) Use of FA: For each product for which the Applicant is requesting FA, explain the need for FA and the benefits that will be provided to the Target Market due to the provision of FA.

**4.) Economic Development-Development Services.** Completed the Development Services Chart. For additional information on the types of activities the Fund considers Development Services, refer to the [Guidance-Development Services](#).

**TIP: An applicant should respond to all question components for all applicable Development Services activities.**

a). In the last three fiscal years, did the Applicant provide its Target Market with Economic Development Services, directly, through an Affiliate, or through a contractual relationship? Yes \_\_\_\_ No \_\_\_\_\_. If yes, respond to all of the following that apply. If any of the following do not apply, indicate "N/A" in the space provided. If the applicant does not respond to any question, the Fund will assume that question is not applicable (N/A).

Narrative on Development Services. Address all of the following:

- Name of entity(s) that provides the Development Services, including the applicant, an [Affiliate](#), or third-party
- Describe the Development Services and how these services enable clients to access your Financial Products.
- Describe how these services enable clients to avoid or address delinquencies or defaults.
- Describe how these services help borrowers establish or repair blemished credit histories, avoid predatory loan products, and/or address emergency financial needs.

b) Is the applicant requesting FA to be used for ED **Development Services**? Yes \_\_\_\_ No \_\_\_\_\_. If yes, explain your methodology for determining the amount of FA requested for Development Services.

**5) CDFS/Consumer Loans.** Respond to the following questions regarding the applicant's **Consumer Loans**. Indicate "N/A" for any question that does not apply.

Consumer Loans	Amount (\$min-\$max range)	Terms (min-max range)	Rates (min-max range)	Is this a New Product? Yes ____ No ____
All				

- a) How does the design of this product address need and demand of the Target Market? Your response must address all of the following:
- Description of how this product uses nontraditional forms of collateral (if applicable);
  - Description of how this product makes available extended/flexible terms (if applicable);
  - Description of how this product differs from those of other providers serving the Target Market; and
  - Applicant's strategy for developing and testing this product (for new products only);
- b) Source(s) of Capital: Provide a list of the Applicant's main sources of capital for this product and the amount from each source. Indicate whether the source is a loan or grant. *For example: XYZ foundation, grant, \$50,000. ABC Bank, loan, \$150,000 (60 months at 4%). Retained Earnings, \$100,000.*
- c) Use of FA: For each product for which the Applicant is requesting FA, explain the need for FA and the benefits that will be provided to the Target Market due to the provision of FA.

**6) Development Services** related to CDFS/**Consumer Loans**. Completed the Development Services Chart. For additional information on the types of activities the Fund considers Development Services, refer to the [Guidance-Development Services](#).

**TIP: A successful applicant responds to all question components for all applicable Development Services activities.**

a). In the last three fiscal years, did the Applicant provide its Target Market with Development Services associated with its Consumer Loan products, directly, through an Affiliate, or through a contractual relationship? Yes \_\_\_ No \_\_\_ If yes, respond to all of the following that apply. If any of the following do not apply, indicate "N/A" in the space provided. If the applicant does not respond to any question, the Fund will assume that question is not applicable (N/A).

Narrative on Development Services. Address all of the following:

- Name of entity(s) that provides the Development Services, including the applicant, an [Affiliate](#), or third-party
- Describe the Development Services and how these services enabled clients to access your financial products.
- Describe how these services enabled clients to avoid or address delinquencies or defaults.
- Describe how these services help borrowers establish or repair blemished credit histories, avoid predatory loan products, and/or address emergency financial needs.

b) For any Target Market, is the applicant requesting FA to be used for *Development Services* for *Consumer Loans* product in the Activity Level Chart? Yes \_\_\_ No \_\_\_ . If yes, explain your methodology for determining the amount of FA requested for Development Services.

**7) Other.** Respond to the following questions regarding the applicant's **Other Activity(s)**. Indicate "N/A" for any question that does not apply.

Consumer Loans	Amount (\$min-\$max range)	Terms (min-max range)	Rates (min-max range)	Is this a New Product? Yes ___ No ___
All				

a) How does the design of this product address need and demand of the Target Market? Your response must address all of the following:

- Description of how this product uses nontraditional forms of collateral (if applicable);
- Description of how this product makes available extended/flexible terms (if applicable);
- Description of how this product differs from those of other providers serving the Target Market; and
- Applicant's strategy for developing and testing this product (for new products only);

a) Source(s) of Capital: Provide a list of the Applicant's main sources of capital for this product and the amount from each source. Indicate whether the source is a loan or grant. For example: XYZ foundation, grant, \$50,000. ABC Bank, loan, \$150,000 (60 months at 4%). Retained Earnings, \$100,000.

b) Use of FA: For each product for which the Applicant is requesting FA, explain the need for FA and the benefits that will be provided to the Target Market due to the provision of FA.

**8) Development Services related to Other Activity.** Completed the Development Services Chart. For additional information on the types of activities the Fund considers Development Services, refer to the [Guidance-Development Services](#).

**TIP: A successful applicant responds to all question components for all applicable Development Services activities.**

a). In the last three fiscal years, did the Applicant provide its Target Market with Development Services associated with its Consumer Loan products, directly, through an Affiliate, or through a contractual relationship? Yes \_\_\_ No \_\_\_ . If yes, respond to all of the following that apply. If any of the following do not apply, indicate "N/A" in the space provided. If the applicant does not respond to any question, the Fund will assume that question is not applicable (N/A).



Narrative on Development Services. Address all of the following:

- Name of entity(s) that provides the Development Services, including the applicant, an [Affiliate](#), or third-party
- Describe the Development Services and how these services enabled clients to access your financial products.
- Describe how these services enabled clients to avoid or address delinquencies or defaults.
- Describe how these services help borrowers establish or repair blemished credit histories, avoid predatory loan products, and/or address emergency financial needs.

b) For any Target Market, is the applicant requesting FA to be used for *Development Services* for *Other Activity* product in the Activity Level Chart? Yes \_\_\_ No \_\_\_\_\_. If yes, explain your methodology for determining the amount of FA requested for Development Services.

**9.) Community Development Financial Services.** Respond to the following questions regarding the applicant's financial products related to *Community Development Financial Services*. Indicate "N/A" for any question that does not apply.

Financial Services	Monthly Fees	Maximum No. of Transactions w/ no additional fees	Direct Deposit	Payment of interest on balances?	Related to an IDA Program?	Is this a New Product?
Menu of option: CDFS- Savings/Shares CDFS- Checking/share Drafts CDFS-Other	\$ _____	_____	Yes ____ No ____	Yes ____ No ____	Yes ____ No ____	Yes ____ No ____

a) How does the design of this service address need and demand of the Target Market? Your response must address all of the following:

- As of the last completed FY, this service comprises \_\_\_\_% of total accounts, for a total balance of \$\_\_\_\_\_, and # \_\_\_ out of #\_\_\_ total accounts.
- Description of how this service serves individuals with no/limited relationship with a regulated depository institution;
- Description of how this service encourages savings and asset building;
- Does this service provide access to other retail financial services such as ATM access, bill payment, remittances, money orders, and stored value cards (indicate all that apply)?
- Description of how this service differs from those of other providers serving the Target Market; and
- Description of the applicant's strategy for developing and testing this service (for new products only);

b) Source(s) of Capital: Provide a list of the Applicant's main sources of capital for this service and the amount from each source. Indicate whether the source is a loan or grant. For example: XYZ foundation, grant, \$50,000. ABC Bank, loan, \$150,000 (60 months at 4%). Retained Earnings, \$100,000.

c) Use of FA: For each service for which the Applicant is requesting FA, explain the need for FA and the benefits that will be provided to the Target Market due to the provision of FA.

**10.) Development Services related to Applicant's Financial Services.** Complete the Development Services Chart. For additional information on the types of activities the Fund considers Development Services, refer to the [Guidance-Development Services](#).

a). In the last three fiscal years, did the Applicant provide its Target Market with Development Services associated with its Financial Services, directly, through an Affiliate, or through a contractual relationship? Yes \_\_\_ No \_\_\_\_.

If yes, respond to all of the following that apply. If any of the following do not apply, indicate "N/A" in the space provided. If the applicant does not respond to any question, the Fund will assume that question is not applicable (N/A).

Narrative on Development Services. Address all of the following:

- Name of entity(s) that provides the Development Services, including the applicant, an [Affiliate](#), or third-party
- Describe the Development Services and how these services enabled clients to access your financial services.
- Describe how these services enabled clients to avoid or address overdrafts or other problems.
- Describe how these services helps borrower establish or repair blemished credit histories, avoid predatory loan products, and address emergency financial needs.
- Describe any benefits to clients of applicant's Development Services not listed above.

Is the applicant requesting FA to be used for **Development Services** (including costs of providing technical assistance to account holders) **for Financial Services**? Yes \_\_\_ No \_\_\_. If yes, explain your methodology for determining the amount of FA requested for Development Services.

**B. Leverage. Category III applicants only.**

- a) **Complete the Leverage Chart.** This chart seeks to determine how well the applicant leverages greater private sector resources indirectly in support of its lending and investing activities. Add rows for each product for which you are requesting funding.

**C. Implementation Strategy**

1. Describe in an attached narrative how the applicant markets and delivers its products and services to its Target Market. The narrative response is to address the following:

- Marketing and/or outreach activities to build demand for the products and services described above under A. Applicant's Products.
- If serving an expanded Target Market, be sure to address any specific marketing or outreach activity to the new Target Market or service area.

2. Describe in an attached narrative. how the applicant will extend its resources by coordinating with other providers serving the Target Market and/or service area. The narrative response is to address the following:

- The extent of community support in your Target Market and/or service area for your organization and its activities, and how you will coordinate with any of the following in your delivery of your products and services to your market: *Affiliates*, community organizations, financial institutions, tribal governments, and other public and private entities.
- The extent to which your activities are consistent with or coordinate with the existing economic community and housing development plans adopted by or applicable to your Target Market and/or service area.
- Your plan to coordinate the use of FA with existing government programs and private sector financial resources indicated in the Leverage Chart

3. If the Applicant designated a Community Partner in Applicant Information, attach the written agreement between the Applicant and the Community Partner. Briefly discuss the role of the Community Partner in delivering products and services to the Applicant's Target Market and/or service area. How will the Community Partner enhance the likelihood of the Applicant's success and how will the service to the Target Market be better implemented by a partnership than by Applicant alone?

4. Is the applicant [Community-Owned](#)? Yes \_\_\_ No \_\_\_

5. Is the applicant [Community-Governed](#)? Yes \_\_\_ No \_\_\_



## Management and Underwriting

(25 PERCENT OF POSSIBLE POINTS)

**Purpose:** In the Management and Underwriting section, the Fund seeks to assess the applicant's portfolio quality, management controls (including portfolio monitoring, underwriting and risk mitigation policies and procedures), and the capacity of the management team. Refer to the [Management & Underwriting Guidance](#) for additional information and examples.

### 1. Portfolio Quality.

- A. Complete this table on the Applicant's Loan and Investment Portfolio as of the last completed fiscal year.

FY Ending _____	Loans	Equity Investments	Total Portfolio
Outstanding Portfolio	a. \$ _____	b. \$ _____	c. \$ _____
Percent of Total Portfolio	a. divided by c.	b. divided by c.	100%

- B. Complete a Loan Portfolio Quality Chart (LPQC) for each type of lending or investing activity for which the applicant engaged in the last three completed fiscal years (of the four choices below). If the applicant engaged in any one activity for less than three years, provide the date for which the applicant began offering the product. If the applicant indicated other in the Activity Level Chart for a loan product, complete one of the Loan Portfolio Quality Chart below that best captures the applicant's activities.

- **Affordable Housing LPQC, First Lien**
- **Affordable Housing LPQC, Subordinate Lien**
- **Business LPQC (includes Commercial Real Estate and Community Facilities)**
- **Consumer and Microenterprise**

If the Loan Portfolio Quality Chart for the applicant's products indicates that the applicant does **not** meet the Fund's Minimum Prudent Standards (MPS) for Portfolio at Risk (PAR), Annual Net Loan Loss Ratio (ALLR), and/or Loan Loss Reserves (LLR) (as described in the Guidance for this section), the applicant must explain why the applicant's loan portfolio is financially sound. If the applicant failed any MPS, it must provide an explanation addressing the following in an attached narrative:

- The circumstances, including market conditions, faced in the last three years that led to increases in delinquencies, defaults or write-offs in one or more historic fiscal years.
- Whether loan loss reserves have kept pace with increases in delinquencies and/or defaults. If not, why not? Has the applicant's auditors raised any concerns with the level of loan loss reserves in the last three years?
- Steps being taken to address delinquencies, defaults, and/or appropriate level loan loss reserve(s).

- C. If the applicant engaged in equity investments in the last three fiscal years, complete the Investment Valuation Chart. Equity-like loans are to be included in the Loan Portfolio Quality Chart for the appropriate product type, not the Equity Investment Valuation Chart.

## 2. Management Controls.

For each Product Type for which the applicant is requesting FA, respond to the following questions in attached narratives regarding management controls currently in place.

**Tip:** The Fund will score most highly those applicants that have in place board-approved policies and procedures (reaffirmed within the last 24 months) that address all key financial management, underwriting, and portfolio monitoring issues, in a manner that addresses the needs of the Target Market while assuring financial soundness of the CDFI. For example, portfolio reviews should be performed on a periodic basis and result in modifications to loss reserves as needed.

### A. Portfolio Monitoring

#### A-1. Portfolio Monitoring-Affordable Housing

1) Does the applicant conduct regular and timely portfolio review? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

1a) Provide a description of the methodology for portfolio review, including role of staff and/or Board/committee members involved.

1b) What is the frequency of portfolio review (e.g. monthly, quarterly, semi-annual, annual)?

1c) How does the applicant address delinquencies and defaults in its loan portfolio?; and

1d) Why is this methodology appropriate?

**If not**, be sure your answer addresses the following:

1e) Describe the methodology for determining loan loss reserves based on assessment of portfolio risk; and

1f) Why is this methodology appropriate for the applicant's lending activities?

2a) Does the applicant write off/charge off loans delinquent 120 days or more? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

2b) Describe the applicant's methodology for loan write-offs/charge offs of unrecoverable loans.

2c) Why is this methodology appropriate for the applicant's lending activities?

**If not**, be sure your answer addresses the following:

2d) Explain why the applicant does not charge off loans delinquent 120 days or more.

3a) Does the applicant have policies and procedures on portfolio diversification and lending limits? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

3b) Describe the methodology for maintaining portfolio diversification and lending limits

**If not**, be sure your answer addresses the following:

3c) Explain why the applicant does not have policies and procedures on portfolio diversification and lending limits.

4a) Has the applicant instituted Management Information Systems (MIS) to effectively monitor its lending activities? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

4b) Provide the name of the current MIS in use.

4c) Briefly describe the types of reports the applicant produces with the MIS to monitor its portfolio quality.

**If not**, be sure your answer addresses the following:

4d) Explain the applicant's strategy for acquiring and implementing effective MIS.

## A-2. Portfolio Monitoring-Economic Development

**1. All applicants:** Does the applicant conduct regular and timely portfolio reviews? Yes \_\_\_ No \_\_\_ If yes, address the following:

1a) Describe the methodology for portfolio review/valuation, include role of staff and/or Board members involved.

### **Applicants providing loans:**

2a) How often is the portfolio reviewed (e.g. monthly, quarterly, semi-annually, annually)?

2b) Describe the methodology used to address delinquencies and defaults in its loan portfolio?

2c) Why is this methodology appropriate?

3a) Describe the methodology used to determine loan loss reserves based on assessment of portfolio risk.

3b) Why is this approach appropriate for the applicant's lending activities?

4a) Does the applicant write off/charge off loans delinquent 120 days or more? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

4b) Describe the applicant's methodology for loan write-offs/charge offs of unrecoverable loans.

4c) Why is this approach appropriate for the applicant's lending activities?

**If not**, be sure your answer addresses the following:

4d) Explain why the applicant does not write off loans delinquent 120 days or more.

### **Applicants providing equity investments answers Questions 5-7, otherwise skip to Question 8.**

5a) Does the applicant's investing policies and procedures describe how the applicant manages risk in its portfolio investments? Yes \_\_\_ No \_\_\_

5b) If yes, describe.

5c) Why this is approach appropriate for the applicant's investing activities.

6) How does the applicant address earnings benchmarks not met by investees (i.e. portfolio companies)?

7a) Does the applicant re-value portfolio companies at least annually? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

7b) If yes, describe the applicant's methodology(s) for portfolio valuations.

**If not**, be sure your answer addresses the following:

7c) Explain why not.

### **All Applicants:**

8a) Does the applicant have policies and procedures on portfolio diversification and lending/investing limits? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

8b) Describe the methodology for maintaining portfolio diversification and lending/investing limits.

**If not**, be sure your answer addresses the following:

8c) Explain why the applicant does not have policies and procedures on portfolio diversification and lending/investing limits.

9a) Has the applicant instituted Management Information Systems (MIS) to effectively monitor its lending/investing activities? Yes \_\_\_ No \_\_\_

**If so**, be sure your answer addresses the following:

9b) Provide the name of the current MIS in use.

9c) Briefly describe the types of reports the applicant produces with the MIS to monitor its portfolio quality.

**If not**, be sure your answer addresses the following:

9d) Explain the applicant's strategy for acquiring and implementing effective MIS.

## A-3. Portfolio Monitoring-CDFS-Consumer Loans

1) Does the applicant conduct regular and timely portfolio review? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

1a) Provide a description of the methodology for portfolio review, including role of staff and/or Board/committee members involved.

1b) What is the frequency of portfolio review (e.g. monthly, quarterly, semi-annual, annual)?

1c) How does the applicant address delinquencies and defaults in its loan portfolio?

1d) Why is this methodology appropriate?

**If not**, be sure your answer addresses the following:

1e) Describe the methodology for determining loan loss reserves based on assessment of portfolio risk.

1f) Why is this methodology appropriate for the applicant's lending activities?

2a) Does the applicant write off/charge off loans delinquent 120 days or more? Yes/no.

**If so**, be sure your answer addresses the following:

2b) Describe the applicant's methodology for loan write-offs/charge offs of unrecoverable loans.

2c) Why is this methodology appropriate for the applicant's lending activities? Text box

**If not**, be sure your answer addresses the following:

2d) Explain why the applicant does not charge off loans delinquent 120 days or more.

3a) Does the applicant have policies and procedures on portfolio diversification and lending limits? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

3b) Describe the methodology for maintaining portfolio diversification and lending limits

**If not**, be sure your answer addresses the following:

3c) Explain why the applicant does not have policies and procedures on portfolio diversification and lending limits

4a) Has the applicant instituted Management Information Systems (MIS) to effectively monitor its lending activities? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

4b) Provide the name of the current MIS in use.

4c) Briefly describe the types of reports the applicant produces with the MIS to monitor its portfolio quality.

**If not**, be sure your answer addresses the following:

4d) Explain the applicant's strategy for acquiring and implementing effective MIS.

## **B. Underwriting (Loans & Investments) Policies And Procedures**

### **B-1: Affordable Housing**

**TIP:** The Fund will score most highly those applicants that demonstrate current, board-approved underwriting procedures that reflect both the realities of the Target Market(s) served, the need for some level of risk with the loans and investments made, and the need to maintain a sound portfolio in order to ensure the viability of the CDFI. For example, collateral standards may include non-traditional collateral for borrowers that do not own homes or have other forms of collateral.

For each of the following criteria discussed in the applicant's current underwriting policies and procedures, provide a brief description of:

- 1a) The applicant's criteria for determining a sound loan;
- 1b) Its flexibility in assessing credit risk and collateral;
- 1c) Its methodology for working with borrowers with no or blemished credit history, and ensuring payment.

2) What steps does the applicant take to give adequate consideration to borrowers and or deals that are outside of the organization's underwriting standards?

3a) Has the applicant instituted Management Information Systems (MIS) to effectively underwrite its loans? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

3b) Provide the name the current MIS in use.

3c) Briefly describe the types of reports the applicant produces with the MIS to determine how the borrower or project meets the applicant's underwriting criteria.

**If not**, be sure your answer addresses the following:

3d) Explain the applicant's strategy for acquiring and implementing effective MIS to undertake the lending activities proposed under this application.

### **B-2: Economic Development**

#### **All Applicants:**

For each of the following criteria discussed in the applicant's current underwriting policies and procedures, provide a brief description of :

- 1a) The applicant's criteria for determining a sound loan and/or investment; and
- 1b) Its flexibility in assessing risk and collateral.
- 1c) What steps does the applicant take to give adequate consideration to borrowers and/or investments that are outside of the organization's underwriting standards?

2a) Has the applicant instituted Management Information Systems (MIS) to effectively underwrite its loans and investments? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

2b) Provide the name the current MIS in use.

2c) Briefly describe the types of reports the applicant produces with the MIS to determine how the borrower/investment meets the applicant's underwriting criteria.

**If not**, be sure your answer addresses the following:

2d) Explain the applicant's strategy for acquiring and implementing effective MIS to undertake the lending and investment activities proposed under this application.

#### **Applicant providing loans answer Q. 3:**

3) Describe the applicant's policy for working with borrowers with no or blemished credit histories.

#### **Applicants Providing Investments answer Q. 4.**

4) How does the applicant structure investments (including debt with equity features) to manage risk and enhance likely returns?

**B-3:     -Consumer Loans**

For each of the following criteria discussed in the applicant's current underwriting policies and procedures, provide a brief description of:

- 1a) The applicant's criteria for determining a sound loan and/or investment
- 1b) Its flexibility in assessing credit risk and collateral
- 1c) Its methodology for working with borrowers with no or blemished credit history, and ensuring payment.

2) What steps does the applicant take to give adequate consideration to borrowers and or deals that are outside of the organization's underwriting standards?

3a) Has the applicant instituted Management Information Systems (MIS) to effectively underwrite its loans? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

- 3b) Provide the name the current MIS in use.
- 3c) Briefly describe the types of reports the applicant produces with the MIS to determine how the borrower or project meets the applicant's underwriting criteria.

**If not**, be sure your answer addresses the following:

3d) Explain the applicant's strategy for acquiring and implementing effective MIS to undertake the lending activities proposed under this application.

**C.       Financial Management Policies & Procedures**

**Tip:**   **The Fund will score most highly those applicants that demonstrate that current, board-approved financial management policies and procedures are in place. These policies and procedures should address key issues that will allow for safeguards to the organization's financial soundness and integrity in the face of unexpected occurrences, such as loss of key employees, employee misconduct, or natural disasters. In particular, a successful applicant will discuss how the organization safeguards its computer hardware and software, to preserve the integrity of its information against viruses or unauthorized uses, as well as losses due to fire, flood, and other natural and unnatural causes. A successful applicant will also demonstrate that the Board, as a whole, and key committees in particular provide close oversight of the financial condition and operations of the CDFI.**

1a). Are the Applicant's financial management policies and procedures Board approved? Yes \_\_\_\_ No \_\_\_\_

**If so**:

1b) Provide the date such policies were Board approved. \_\_\_\_\_

**If not**, be sure your answer addresses the following:

1c) Explain why financial management policies and procedures are not Board approved (as of the date of application submission).

For each of the following criteria discussed in the applicant's current financial management policies and procedures, provide a brief description for:

- 2a) How the applicant maintains internal controls over idle cash, checks, and other liquid assets; and
- 2b) Safeguards against conflict of interest between borrowers/investees and the roles and responsibility of staff, Board and Loan/Investment Committee in carrying out these activities.

2c) Explain the applicant's methodology for determining liquidity and operating reserves.

2d) Explain the extent to which internal and audited financial statements are reviewed by the Management Team and or appropriate Board committee (e.g., Executive, Audit), including the role and responsibilities of specific staff positions and Board committee(s).

Describe how the applicant assesses and mitigates against risk in the following areas:

- 3a) human resources and succession;
- 3b) technology and communication systems;

3c) and physical losses.

4a) Does the applicant have in place Management Information Systems (MIS) to effectively monitor its financial accounts and produce internal financial statements? Yes \_\_\_\_ No \_\_\_\_

**If so**, be sure your answer addresses the following:

4b) Provide the name the current MIS in use.

4c) Briefly describe the types of reports the applicant produces with the MIS to conduct reconciliation of accounts.

4d) Briefly describe the types of reports the applicant produces to track use of funds from public and private sources.

**If not**, be sure your answer addresses the following:

4d) Explain the applicant's strategy for acquiring and implementing effective MIS that addresses the criteria in previous questions in this section.

### **3. Management Team**

In this section the Fund will look for a range of skills and experience, including financing, Target Market knowledge, and community development experience. These skills and experience may be found within the Board, the management team, and/or key staff. The Fund will also seek to determine whether the applicant has sufficient staff to carry out the proposed activities.

**TIP:** To receive a high score, an applicant should provide sufficient information on Board members, management team members, key staff, and any other key individuals, to demonstrate that the organization has sufficient capacity to manage the operations of the CDFI in a manner that effectively serves the *Target Market* and ensures the viability of the organization.

**A. Attach an organizational chart (s), as of the date of application submission**, showing all positions including Board, staff, and, if applicable, volunteers and consultants that are integral to the applicant's operations. Show direct supervisor and subordinate reports for all positions. The organizational chart must also include any staff shared with or donated by [Affiliates](#).

**B. Complete the Staff Chart, Part A: Organization Summary** for all staff allocated to the applicant's activities, including staff that are paid by [Affiliates](#).

**C. Complete the Staff Chart, Part B: Personnel Costs.**

**D. Board of Directors, Advisory Board and Loan/Investment Committee.**

1) Attach a list of members for the Board of Directors, Advisory Board, and Loan/Investment Committee (as applicable), which includes member name, current affiliation and title, and tenure with the applicant and committees (e.g., executive, financial/audit, fundraising/development, outreach/marketing). Refer to the Management & Underwriting Guidance for an example.

2) Attach a resume for each members of the Board's executive committee; audit committee and Loan/Investment Committee. If applicant does not have ongoing committees, attach a resume for all Board Members.

**TIP:** A successful applicant discusses training received by members of the management team **AS WELL AS** relevant unpaid/volunteer experience with other organizations, if community development, community development finance and loan/investment underwriting are not clearly evident from the attached resumes.

3) Optional: Attach resume of Advisory Board members, if more than half of its members are drawn from outside of the Board of Directors.

4) If relevant experience is not clearly evident from the resume, describe relevant experience in [community development](#), [community development finance](#), or [loan/investments underwriting](#), and/or target market knowledge for members of the Board, Advisory Board (if more than half of its members are drawn from outside of the Board of Directors) and Loan/Investment Committee (if more than half of its members are drawn from outside of the Board of Directors).

**Senior Management Team.** *Using the positions listed in the Organizational Chart:*

5a) Provide the name, title and description of roles and responsibilities for staff who are part of the senior management team. Be sure to include the positions equivalent to: Executive Director/CEO, Chief Financial Officer, Director of Lending, and other key management positions that apply (e.g. MIS, Fundraising, Training, etc.) If any position(s) are not applicable, indicate N/A in "Name" column.

Title	Name	Tenure (in years)	% FTE dedicated to Applicant
Executive Director/CEO (or equivalent)			
Description of Duties			
Resume attached <input type="checkbox"/> Yes/no <input type="checkbox"/>			
Relevant Experience to Applicant Activities:			
Title	Name	Tenure (in years)	
Chief Financial Officer (or equivalent)			
Description of Duties			
Resume attached <input type="checkbox"/> Yes/no <input type="checkbox"/>			
Relevant Experience to Applicant Activities:			
Title	Name	Tenure (in years)	
Director of Lending(or equivalent)			
Description of Duties			
Resume attached <input type="checkbox"/> Yes/no <input type="checkbox"/>			
Relevant Experience to Applicant Activities:			
Title	Name	Tenure (in years)	
Other: Development Officer (or equivalent)			
Description of Duties			
Resume attached <input type="checkbox"/> Yes/no <input type="checkbox"/>			
Relevant Experience to Applicant Activities			
Title	Name	Tenure (in years)	
Other: Director of Training(or equivalent)			
Description of Duties			
Resume attached <input type="checkbox"/> Yes/no <input type="checkbox"/>			
Relevant Experience to Applicant Activities			

5b) Are there any positions that have experienced staff turnover in the last two years? Yes \_\_\_ No \_\_\_  
If yes, indicate in a narrative which position(s) experienced turnover and how long it took to fill the position.

5c) Does the applicant project providing training to staff in order to undertake the projected activities? Yes \_\_\_ No \_\_\_  
If yes, discuss in the Staff training chart any staff training or Board development activities that the organization has undertaken or will need to undertake in order to effectively implement the proposed activities



## Financial Health & Viability

(25 percent of possible points)

**Purpose:** In the Financial Health & Viability section, the Fund evaluates the Applicant's Financial track record examining the Applicant's liquidity and other elements of financial strength, including earnings, capital adequacy, and deployment of resources; and Financial projections: the Applicant's projected financial health, including its ability to raise operating support from sources other than the Fund and its capitalization strategy.

**A. Complete** the Financial Data Input Charts. Select the appropriate Chart based on the organization type of the Applicant (non-regulated non-profit; non-regulated for-profit; Insured Credit Union; or Insured Depository Institution). Applicants must complete all 3 parts of the applicable Financial Data Input Chart: Historic; 100% FA projection; and 50% FA projection.

The charts must be completed before answering the questions in this section. A complete list of tables is provided in the FA Application Table of Contents and in the Application General Guidance.

- **Historic Financial Information:** The Financial Data Input Chart-Historic requires actual information from the last three complete fiscal years (or for as many years as the Applicant has been in operation, if less than three years) based.
- **Projected Financial Information:** The Financial Data Input Chart for 100% FA and 50% FA projections require information for the current fiscal year and the next three complete fiscal years (generally, FY 2004 through 2007). The Applicant must include projections as well as assumptions underlying the projections.
- **Financial Ratios & MPS:** Information entered in the Financial Data Input Charts will be used to calculate the Applicant's ratios that appear in the Key Financial Trends and Ratios Charts and the Minimum Prudent Standards (MPS) Summary Charts. The Applicant's scores for the Financial Health and Viability section will be based in part on the values in the Key Financial Trends and Ratios Charts and the MPS Summary Charts. The Fund will also consider the mitigating factors set forth by the Applicant, required to be set forth only if the Applicant does not meet the Fund's MPS.

In order to perform well in this section, you will need to read the [Financial Health & Viability Guidance](#) and follow the instructions provided in the Financial Data Input Chart

**B. Attach** the applicable financial statements for the Applicant's organization type for the last three completed Fiscal Years. See [Financial Health & Viability Guidance](#) for details. All Applicants are required to complete the Financial Data Input Charts and provide audited financial statements, Uniform Bank Performance Reports or NCUA's Financial Performance Reports for the last three completed fiscal years (or as many years as the Applicant has been in operation, if less than three years).

1) Did you attach audited or internal financial statements, Uniform Bank Performance Reports or NCUA's Financial Performance Reports for the last three completed Fiscal Years?      Yes      No

2) For which fiscal years are you **not** providing internal or audited financial statements, Uniform Bank Performance Reports or NCUA's Financial Performance Reports?

Date: FY
FY----
FY----
Indicate whether you are providing interim financial statements in place of audited financial statements, or whether no statements are being provided. If providing internal financial statements, explain why the Applicant has not had financial audit(s) for the fiscal years indicated above and when does it plan to complete an audit of its operations.

C. **Minimum Prudent Standards (MPS)** - In this section, the Fund is comparing the Applicant's historic and projected financial ratios to the Fund's MPS. A MPS summary table below indicates whether the Applicant's financial ratios meet the MPS. For any benchmark on which the Applicant exhibits ratios that do not meet the MPS, you will be required to explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound even though it does not or will not meet the MPS. In the Fund's discretion, these explanations may allow the organization to receive points in the sub-section, even if it does not meet the MPS.

**Tip:** Before completing this section, thoroughly review the Applicant's historic and projected Financial Data Input Charts for accuracy.

### 1) Capital

RATIO NAME	HISTORIC RATIO	PASS/FAIL MPS	PROJECTED (100% FA) RATIO	<i>PASS/FAIL MPS</i>	PROJECTED (50% FA) RATIO	PASS/FAIL MPS
Capital	____%	PASS OR FAIL	____%	PASS/FAIL	____%	PASS/FAIL

**Non-regulated Entities:** Mitigating Factors: In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address such factors the Applicant's capital structure, capitalization strategy (such as the use of debt, equity, and secondary market transactions), portfolio composition, and how funding from the CDFI Fund will help meet the MPS.

**Insured Credit Unions:** Mitigating Factors: In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address such factors the Applicant's capital structure, capitalization strategy (such as the use of debt, equity, and secondary market transactions), portfolio composition, and how funding from the CDFI Fund will help meet the MPS. Discuss any regulatory constraints or agreements relating to the Applicant's capital level or capitalization plan.

**Insured Depository Institutions:** Mitigating Factors: In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound even though it does not or will not meet the MPS. Address such factors the Applicant's capital structure, capitalization strategy (such as the use of debt, equity, and secondary market transactions), portfolio composition, and how funding from the CDFI Fund will help meet the MPS. Discuss any regulatory constraints or agreements relating to the Applicant's capital level or capitalization plan. If the Applicant is a Depository Institution Holding Company, address the above questions for both the Applicant and any affiliates involved in carrying out the Comprehensive Business Plan activities.

## 2.) Deployment

RATIO NAME	HISTORIC RATIO	PASS/FAIL MPS	PROJECTED (100% FA) RATIO	PASS/FAIL MPS	PROJECTED (50% FA) RATIO	PASS/FAIL MPS
DEPLOYMENT	____%	PASS OR FAIL	____%	PASS/FAIL	____%	PASS/FAIL

**Non-Regulated Entities Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound even though it does not or will not meet the MPS. You may address such factors as **any restrictions** on the use of financing capital, the level of commitments made, and any product features, or market factors limiting deployment. Address how the requested FA and TA are expected to help increase deployment.

**Insured Credit Unions Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address such factors as **any restrictions** on the use of financing capital, the level of commitments made, and any product features, or market factors limiting deployment. Address how the requested FA and TA are expected to help increase deployment. Discuss any regulatory constraints or agreements that effect deployment.

**Insured Depository Institutions Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address such factors as **any restrictions** on the use of financing capital, the level of commitments made, and any product features, or market factors limiting deployment. Address how the requested FA and TA are expected to help increase deployment. Discuss any regulatory constraints or agreements that effect deployment. If the Applicant is a Depository Institution Holding Company, address the above questions for both the Applicant and any affiliates involved in carrying out the Comprehensive Business Plan activities.

## 3.) Earnings

RATIO NAME	HISTORIC RATIO	PASS/FAIL MPS	PROJECTED (100% FA) RATIO	PASS/FAIL MPS	PROJECTED (50% FA) RATIO	PASS/FAIL MPS
EARNINGS	____%	PASS OR FAIL	____%	PASS/FAIL	____%	PASS/FAIL

**Non-Regulated Entities Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address any unusual losses, and plans for preventing such losses in the future, plans for increasing earnings, and how the requested FA and TA are expected to help increase earnings.

**Insured Credit Unions Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address any unusual losses, and plans for preventing such losses in the future, plans for increasing earnings; and how the requested FA and TA are expected to help increase earnings. Discuss any regulatory constraints or agreements that effect earnings.

**Insured Depository Institutions Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address any unusual losses, and plans for preventing such losses in the future, plans for increasing earnings; and how the requested FA and TA are expected to help increase earnings. Discuss any regulatory constraints or agreements that effect earnings. If the Applicant is a Depository Institution Holding Company, address the above questions for both the Applicant and any affiliates involved in carrying out the Comprehensive Business Plan activities.

#### 4.) Self-Sufficiency

RATIO NAME	HISTORIC RATIO	PASS/FAIL MPS	PROJECTED (100% FA) RATIO	PASS/FAIL MPS	PROJECTED (50% FA) RATIO
Self-Sufficiency	____%	PASS OR FAIL	____%	PASS/FAIL	____%

**Non-Regulated Entities Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address the Applicant's organization's strategy and timeline for increasing total earned income (i.e., increase fees, other additional non-financing products) and decreasing expenses; and intractable impediments to self-sufficiency (e.g., product mix, market served and product/services delivery strategy); and how the requested FA and TA are expected to help increase self-sufficiency.

#### 5.) Operating Liquidity

RATIO NAME	HISTORIC RATIO	PASS/FAIL MPS	PROJECTED (100% FA) RATIO	PASS/FAIL MPS	PROJECTED (50% FA) RATIO
Operating Liquidity	____%	PASS OR FAIL	____%	PASS/FAIL	____%

**Non-Regulated Entities Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. In the explanation include the Applicant's strategy and timeline to increase unrestricted cash and cash equivalents to maintain operations; any other factors relating to the Applicant's ability to meet operating expenses; and how the requested FA and TA are expected to help increase operating liquidity.

#### 6.) Capital Liquidity

RATIO NAME	HISTORIC RATIO	PASS/FAIL MPS	PROJECTED (100% FA) RATIO	PASS/FAIL MPS	PROJECTED (50% FA) RATIO
Capital Liquidity	____%	PASS OR FAIL	____%	PASS/FAIL	____%

**Non-Regulated Entities Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. Address any factors affecting the Applicant's ability to meet its liabilities and how the requested FA and TA are expected to help increase operating liquidity.

**Insured Credit Unions Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it

is and will be financially sound although it does not or will not meet the MPS. Discuss any regulatory constraints or agreements affecting liquidity.

**Insured Depository Institutions Mitigating Factors:** In an attached narrative, explain departures from the MPS, explain any plans the organization has to meet the MPS in the future, and/or why the Applicant believes it is and will be financially sound although it does not or will not meet the MPS. **Discuss** any regulatory constraints or agreements affecting liquidity. If the Applicant is a Depository Institution Holding Company, address the above questions for both the Applicant and any affiliates involved in carrying out the Comprehensive Business Plan activities.